

# Week In Review

OLLI-GMU Investment Forum

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April 8, 2026

Today: Watching for some great buying opportunities

Tech sector review

The case for SpaceX

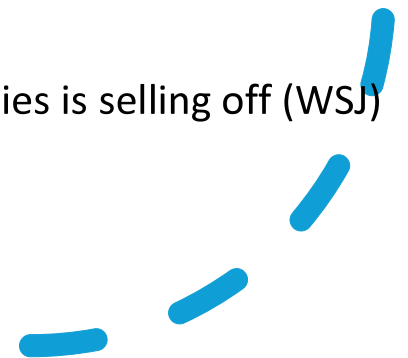
David Toms

Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

# Economic Commentary

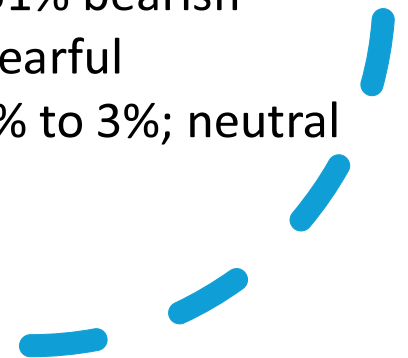
- Upper middle class population has expanded from 10% in 1979 to 31% in 2024. (Value Line)
- Markets have been whiplashed by multiple uncertainties  
Watching out for margin calls; earnings revisions; profit warnings
- Unemployment declined to 4.3%, 178K new jobs created in March
  - Healthcare, hospitality, manufacturing leading
  - Technology lagging – many software layoffs
- Fuel impacts on transportation are starting: UAL, Carnival
- Amazon has instituted a 3% surcharge for higher shipping costs
- Dollar has stabilized as a safe haven
- Gasoline up to \$4.14/gal nationwide
- Distressed commercial real estate in center cities is selling off (WSJ)



# Market commentary

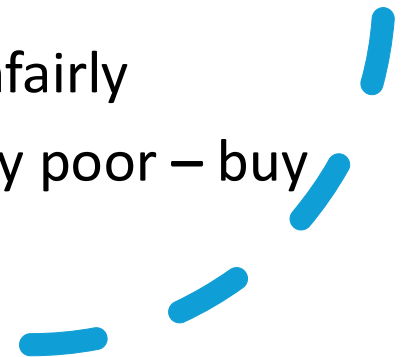
Flight to safety and dividends continues

- Rotating away from risk assets toward hard assets (HALO)
- Credit market continues selling off – overblown?
  - Market fear vs actual performance
- Gold price is steady; profit taking over (for now)
  - Turkey sold 60 tons of gold to raise cash
- Mag 7 stocks are down 17% from the high
  - Cheapest in 50 years
- Dividend, value, real estate stocks back in vogue
- VIX: rose to 28: fearful
- CNN fear gauge: 22: extremely fearful
- AAI investor sentiment: 34% bullish; 51% bearish
- Put/Call ratio rising to .95; extremely fearful
- Junk bond spreads: Declined from 3.4% to 3%; neutral

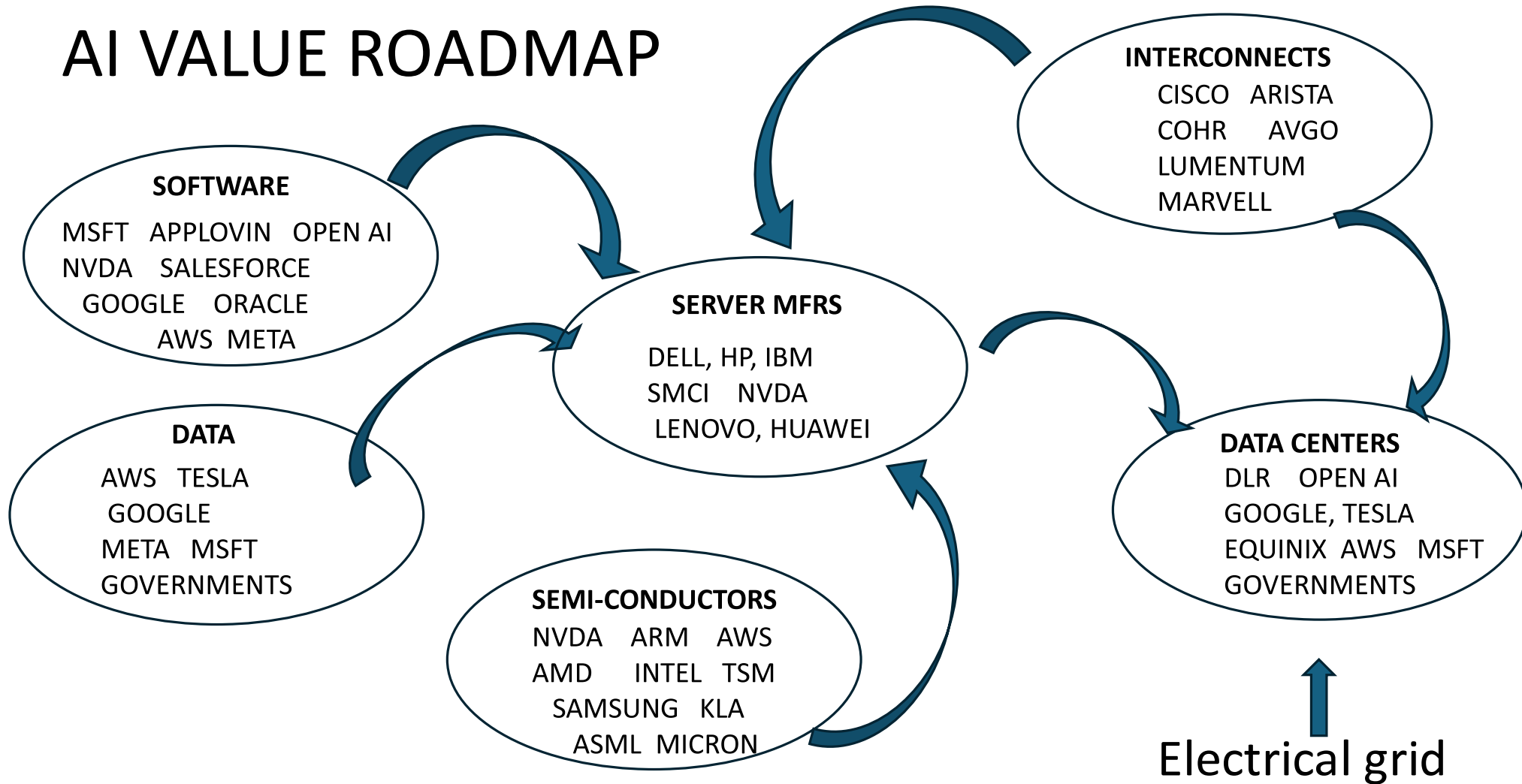


# Goldman Sachs Review of Tech Sector (WSJ)

- PEG ratio for US tech stocks are now below global market
- PE for IT sector is less than for Consumer Discretionary, Staples and Industrials
- Market expects future tech earnings weaker than tech bubble burst in 2003
- Market has concerns about Iran war, Capex, AI shake-out and Saas
- No signs of a tech bubble
- Tech sector is being punished unfairly
- Market sentiment for tech is very poor – buy the dip?



# AI VALUE ROADMAP



By 2030, AI alone is projected to contribute more than \$15 trillion to the global economy. (SIA)

# The Case for SpaceX

## **Bull Case**

- 60% market share of global space launch capacity
- Starlink exceeded 10M subscribers and \$10B in revenue in 2025
  - 65% of projected future revenue
  - Residential + aviation (new) + maritime (new) communications
  - Delta airlines partnership
- \$20B total revenue is projected for 2026; and cash flow positive
- Large, long-term government contracts: \$22B across NASA and DoD
- Starship program: Orbital logistics and AI data centers in space
  - Launch costs to be reduced again by 10X
- SEC application for IPO submitted on April 1; IPO est June 2026
  - Valuation estimated at \$1.7T; largest IPO in history

## **Bear Case**

- **Government regulators may view SpaceX as a “sovereign utility” or monopoly**
- Company valuation is more than Boeing, LMCO, NG combined
  - Pricing reflects a technology / growth company, rather than traditional aerospace
- **E. Musk’s “key man” status**

# Funds that own SpaceX Private Shares

Fund	Ticker	Notes
<b>Fidelity Contrafund</b>	FCNTX	SpaceX ranks as the 11th largest holding in Contrafund, surpassing Visa, JPMorgan, and Broadcom. <a href="#">Wall Street Pit</a> \$2.7B holding.
<b>Fidelity Blue Chip Growth Fund</b>	FBGRX	SpaceX was described as "a sizable holding at year-end" in the fund's most recent review. <a href="#">Fidelity</a>
<b>Fidelity Advisor Blue Chip Growth Fund</b>	FABGX	SpaceX is also confirmed as a sizable holding in this advisor share class of the same strategy. <a href="#">Fidelity</a>

**Also:**

**ARK Venture Fund (ARKVX)**

**ERShares Crossover ETF (XOVR)**

**Baron Partners Fund (BPTRX) ARKVX,**

# Now what?

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- Maybe NO Fed interest rate cuts in 2026 – inflation returning?
- Best places to hide: Cash, HALO stocks, dividends
- Markets will turn depending on which way oil prices turn
- **US economy is strong but....with overwhelming geo-political uncertainty**
  - Strong stimulants in place – OBBB tax relief
  - Consumer spending is split among haves and have nots; overall strong
  - Labor market is stronger than expected
  - Inflation seems to be under control - for now
  - Housing market is weakening
- Stock market is still very expensive: Forward PE = 20
  - Diversify!
  - Protect yourself with automated stop loss orders; or put options as insurance

**“I’m all for progress. It’s change that I have a problem with.” Mark Twain**

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